**Enforcement**

**Trader Shift Fallout: FCA Secures $101M From BlueCrest for Allocation/Disclosure Failures**

**Summary:** The UK Financial Conduct Authority accepted a $101M redress scheme from BlueCrest Capital for inadequate conflict management and disclosures when it shifted top traders from an external client fund to an internal employee fund (2011–2015). A planned fine was dropped in exchange for public censure and redress.
**Why it matters:** Even though this is a UK action, it echoes the SEC’s 2020 BlueCrest case and underscores regulators’ sensitivity to side‑by‑side management, allocation, and disclosure around affiliated vehicles—common issues for private fund advisers.
**Potential action:** Re‑test trade‑allocation and conflict‑management controls; confirm disclosures cover internal funds, employee co‑invest, and manager‑led transfers; refresh LP communications on any historical staff reallocations.

[**Read More Here**](https://www.reuters.com/sustainability/boards-policy-regulation/uk-watchdog-secures-101-million-redress-bluecrest-fund-investors-2025-10-14/) (Reuters)

**What Regulators Are Saying**

**U.S. “data darkness” from shutdown widens**

**Summary:** The ongoing U.S. government shutdown has created a period of “data darkness,” with key economic releases—including inflation, employment, and retail data—delayed indefinitely. The disruption is hindering market models, macro forecasts, and institutional risk dashboards.

**Why it matters:** The absence of official economic data increases market uncertainty and model risk, forcing traders and risk managers to rely on alternative data sources and high-frequency indicators to gauge real-time conditions.

**Potential action:** Shift to nowcasting tools and alternative datasets to maintain situational awareness; tighten VaR, stop-loss, and exposure governance while official data remains paused.

[**Read More Here**](https://www.reuters.com/world/asia-pacific/data-darkness-us-spreads-global-shadow-2025-10-15/) (Reuters)

**FinCEN Clarifies SAR Filing: Near-$10k Thresholds, “Continuing Activity” Timing, and No-SAR Documentation**

**Summary:** FinCEN and the federal banking agencies issued four FAQs clarifying SAR obligations: a near-$10k transaction alone doesn’t require a SAR; a stand-alone “continuing activity” review isn’t mandated after filing; if you choose that model, file the initial SAR by about day 30 and a follow-up around day 150; and you’re not required to document a decision not to file, though brief notes can be prudent.

**Why it matters**: While AML requirements, including filing SARs, does not currently apply to investment advisers, they may soon under new rules that are pending implementation. The guidance trims rote filings and shifts resources to truly risky activity, while aligning examiner expectations and reinforcing risk-based monitoring—particularly relevant for private-markets firms that operate or partner with bank/BD/fund affiliates.

**Potential actions**: Update AML policies and investigator playbooks; tune alert thresholds and QA so “near-$10k” alone doesn’t drive SARs; if adopting the continuing-activity approach, set a 30/150-day cadence and capture full date ranges; streamline “no-SAR” notes; and brief teams and vendors so tooling reflects the clarified standards.

[**Read More Here**](https://www.fincen.gov/news/news-releases/fincen-issues-frequently-asked-questions-clarify-suspicious-activity-reporting) (fincen)

**In The News**

**S&P Global to buy With Intelligence for $1.8bn**

**Summary:** S&P Global agreed to acquire With Intelligence, a private-markets data and workflow provider, in a deal valued at about $1.8 billion.

**Why it matters:** Signals for further consolidation across alternatives data vendors and could reshape benchmarks, diligence workflows, and pricing for LP/GP intelligence.

**Potential action**: Map overlaps in your current data stack; review contract terms and renewal timing; reassess KPIs and diligence templates that rely on With Intelligence feeds.

[**Read More Here**](https://www.reuters.com/technology/sp-global-strikes-18-billion-deal-private-markets-firm-with-intelligence-2025-10-15/)(Reuters)

**LSEG to Launch Private Share Trading Platform, Formalizing Pre-IPO Market**

**Summary:** The London Stock Exchange Group (LSEG) plans to launch a private share trading platform, formalizing what has been an informal gray market for pre-IPO securities.

**Why it matters:** This marks a major structural shift that could increase liquidity and price discovery in private markets while blurring the line between public and private capital formation. It may also heighten regulatory attention on disclosure and investor eligibility.

**Potential action:** Firms should anticipate greater pre-IPO liquidity and revisit fund documents—particularly valuation methodologies and side-letter provisions—to ensure consistency with potential secondary market activity.

[**Read More Here**](https://www.reuters.com/commentary/breakingviews/global-markets-breakingviews-2025-10-10/) (Reuters)

**U.S. ETFs Top $1 Trillion in 2025 Net Inflows**

**Summary:** U.S.-listed ETFs have surpassed $1 trillion in net inflows year-to-date—the fastest pace on record, according to State Street. The surge underscores investors’ continued preference for low-cost passive strategies.

**Why it matters:** Persistent flows into passive vehicles highlight mounting challenges for active managers facing fee pressure and client scrutiny over alpha generation.

**Potential action:** Managers should refine product differentiation, revisit fee structures, and ensure liquidity terms remain competitive amid growing dominance of passive investing.

[**Read More Here**](https://www.reuters.com/markets/wealth/flows-into-us-etfs-cross-1-trillion-record-pace-state-street-investment-2025-10-14/) (Reuters)

**Hedge Funds Rotate: Net Selling U.S. Equities, Buying Global Industrials**

**Summary:** Goldman Sachs Prime Services reported that hedge funds turned net sellers of U.S. equities for the first time in seven weeks, rotating capital into European and Asian industrial names.

**Why it matters:** This positioning shift signals caution toward U.S. markets and growing conviction in global cyclical exposure, as managers seek diversification amid crowded U.S. trades.

**Potential action:** Consider rebalancing toward international industrials and deploying index-level hedges while monitoring crowding risk in consensus positions.

[**Read More Here**](https://www.alternativeswatch.com/2025/10/14/ssc-globeop-tracks-hedge-fund-performance-gains-september/) (alternativeswatch)

**SS&C GlobeOp Hedge Fund Performance Index +1.09% in September; YTD +10.86%**

**Summary:** The SS&C GlobeOp Hedge Fund Performance Index rose 1.09% in September, bringing estimated year-to-date returns to 10.86%, driven by broad-based gains across strategies.

**Why it matters:** The data confirms sustained hedge fund strength despite market rotation, providing managers with an opportunity to solidify investor confidence and highlight strategy differentiation.

**Potential action:** Use the recent performance momentum to recalibrate risk exposures and ensure investor updates accurately reflect dispersion across strategies.

[**Read More Here**](https://investor.ssctech.com/news-and-events/news-details/2025/SSC-GlobeOp-Hedge-Fund-Performance-Index-and-Capital-Movement-Index-ebebcf90f/default.aspx)(SS&C)

**Investors Reassess AI Trade Risk**

**Summary:** Global investors are increasingly scrutinizing the sustainability of the AI-driven market boom, as annual capital expenditures linked to AI infrastructure could exceed $500 billion by 2027. Analysts warn that the scale and interconnectedness of these investments pose emerging systemic risks.

**Why it matters:** The concentration of capital in AI-adjacent sectors—from semiconductors to data centers—raises vulnerability to macro shocks and demand shifts, potentially amplifying market drawdowns.

**Potential action:** Stress-test exposures to AI-related industries, diversify factor loadings, and monitor leverage and liquidity risks in high-capex segments.

[**Read More Here**](https://www.reuters.com/legal/transactional/investors-guard-risks-that-could-derail-ai-gravy-train-2025-10-15/) (Reuters)

**Managers chase new EM private‑credit opportunities**

**Summary:** Asset managers are raising funds to capitalize on an uptick in emerging‑market private‑credit deals, citing widespread and bank retrenchment.

**Why it matters:** Signals broader opportunity beyond U.S./Europe—but with higher macro, legal, and FX risks.

**Potential action** Tighten jurisdictional risk frameworks; revisit hedging playbooks; update LP risk‑factor language for EM credit exposures.

[**Read More Here**](https://www.bloomberg.com/news/articles/2025-10-15/funds-chase-new-private-credit-money-for-emerging-market-bets)(Bloomberg)

**Events**

**HFC New York Charity Poker Tournament**

**Summary:** Help For Children (HFC) will host its annual *New York Charity Poker Tournament* on October 21, 2025, at the Prince George Ballroom. The event brings together professionals from across the alternative investment industry to raise funds for the prevention and treatment of child abuse.

**Why it matters:** HFC is a cornerstone philanthropic partner for the alternative asset community, aligning the industry’s competitive spirit with a shared social mission. Supporting HFC events not only strengthens community engagement but also demonstrates a firm’s commitment to corporate responsibility and industry leadership beyond investment performance.

**Potential action:** Consider sponsoring or attending the event to deepen relationships across the alternative’s community, enhance brand visibility, and support a meaningful cause. Firms can also explore partnership or volunteer opportunities through HFC’s ongoing initiatives.

[**Read More Here**](https://www.hfc.org/event?ID=76227) (HFC)

 **Orical’s Regulatory Breakfast Briefing**

**Summary:** Orical’s Breakfast Briefing on November 13, 2025 (9:00 AM ET; 641 Lexington Ave, FL 17; in person or virtual) will explore how operational due diligence and regulatory readiness reinforce each other across governance, controls, and investor communications, featuring special guest Michael Merrigan, Founder of Shadmoor Advisors.

**Why it matters:** LP scrutiny and regulator expectations are converging, so strong ODD now functions as evidence of compliance maturity. Aligning ODD testing with policies, documentation, and monitoring reduces regulatory risk, speeds diligence reviews, and strengthens fund-raising narratives.

**Potential action:** Register to attend either virtually or in person!

[**Click Here to Register**](https://orical.org/events/orical-s-regulatory-breakfast-briefing-thursday-november-13th-2025) (Orical)

**About Orical**

Orical is a trusted leader in investment management compliance consulting and compliance technology solutions. Founded by experienced investment management attorneys and former C-Suite executives, Orical has spent over 15 years helping investment advisers, private funds, and asset managers meet regulatory requirements with confidence. Our team delivers practical, business-focused compliance solutions designed to reduce risk, streamline operations, and navigate complex SEC and regulatory challenges.

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